

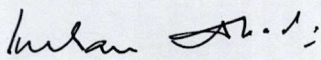
**FINANCIAL STATEMENTS
OF
HOUSE BUILDING FINANCE
COMPANY LIMITED
FOR THE PERIOD ENDED
September 30, 2024**

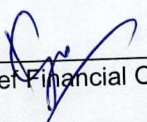
HOUSE BUILDING FINANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

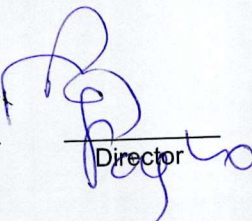
	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks	6	29,139	16,717
Balances with other banks	7	197,667	86,050
Lendings to financial institutions	8	2,000,522	-
Investments	9	45,605,154	34,176,904
Advances	10	12,849,362	14,277,058
Property and equipment	11	291,205	321,503
Right-of-use assets	12	241,974	285,380
Intangible assets	13	53,107	63,246
Deferred tax assets	14	354,587	393,262
Other assets	15	6,206,266	5,613,869
Total Assets		67,828,983	55,233,989
LIABILITIES			
Bills payable	16	36,746,115	26,278,206
Borrowings		-	-
Deposits and other accounts	17	302,319	320,422
Lease liabilities		-	-
Subordinated debt		-	-
Deferred tax liabilities	18	2,133,531	1,995,478
Other liabilities		-	-
Total Liabilities		39,181,965	28,594,106
NET ASSETS		28,647,018	26,639,883
REPRESENTED BY			
Share capital		19,365,000	19,365,000
Reserves		3,173,191	2,817,774
(Deficit) on revaluation of assets	19	122,479	(116,546)
Unappropriated profit		5,986,348	4,573,655
		28,647,018	26,639,883


CONTINGENCIES AND COMMITMENTS


The annexed notes 1 to 35 form an integral part of these financial statements.


 President/Chief Executive


 Chief Financial Officer


 Director

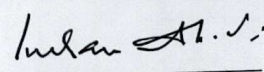

 Director

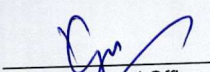

 Director

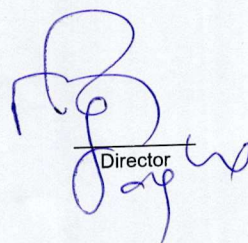
HOUSE BUILDING FINANCE COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 30, 2024

	Note	Quarter Ended		Period Ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
		Rupees in '000		Rupees in '000	
Mark-up / Return / Interest earned	21	2,983,344	2,768,887	7,979,055	7,002,568
Mark-up / Return / Interest expensed	22	(1,565,594)	(1,477,568)	(3,865,627)	(3,641,563)
Net mark-up / interest income		1,417,750	1,291,319	4,113,428	3,361,005
NON MARK-UP / INTEREST INCOME					
Fee and commission income		-	-	-	-
Dividend income		377	-	2,409	1,254
Foreign exchange income / (loss)		-	-	-	-
Income / (Loss) from derivatives		-	-	-	-
Gain / (Loss) on securities	23	231	2,346	231	2,346
Net gains/(loss) on derecognition of financial assets measured at	31	-	505	-	-
Other income/ (loss)	24	29,751	26,883	81,425	76,494
Total non-markup / interest income / (loss)		30,359	29,734	84,065	80,094
Total income / (loss)		1,448,109	1,321,053	4,197,493	3,441,099
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	25	(432,962)	(445,487)	(1,140,908)	(1,306,811)
Workers welfare fund		(16,890)	(17,915)	(61,049)	(44,575)
Other charges		-	-	-	-
Total non-markup / interest expenses		(449,852)	(463,402)	(1,201,957)	(1,351,386)
Profit / (Loss) before credit loss allowance		998,257	857,651	2,995,536	2,089,713
Credit loss allowance and write offs - net	26	75,550	21,291	(14,112)	96,086
Relief package & reprocessing adjustment		1,047	(1,127)	9,932	(1,645)
PROFIT/(LOSS) BEFORE TAXATION		1,074,854	877,815	2,991,356	2,184,154
Taxation	27	(405,020)	(287,373)	(1,214,270)	(750,056)
PROFIT/(LOSS) AFTER TAXATION		669,834	590,442	1,777,086	1,434,098
		Rupees		Rupees	
Basic earnings / (loss) per share	28	0.35	0.30	0.92	0.74
Diluted earnings / (loss) per share	29	0.35	0.30	0.92	0.74

The annexed notes 1 to 35 form an integral part of these financial statements.


President/Chief Executive


Chief Financial Officer


Director

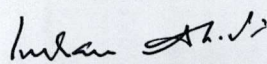

Director


Director

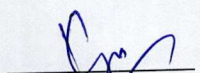
HOUSE BUILDING FINANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2024

	Quarter Ended		Period Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	------(Rupees in '000)-----		------(Rupees in '000)-----	
Profit/ (Loss) after taxation for the period	669,834	590,442	1,777,086	1,434,098
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	234,402	128,967	241,310	121,493
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	-	-	(2,285)	(71)
Total comprehensive income	<u>904,236</u>	<u>719,409</u>	<u>2,016,111</u>	<u>1,555,520</u>

The annexed notes 1 to 35 form an integral part of these financial statements.



President/Chief Executive



Chief Financial Officer



Director



Director



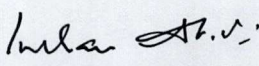
Director

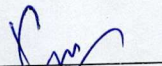
HOUSE BUILDING FINANCE COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2024

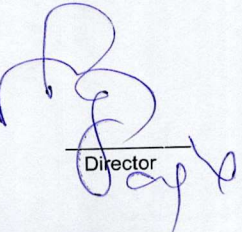
	Share capital	Statutory reserve	Surplus/ (Deficit) on revaluation of	Unappropriated profit	Total
	Rupees in '000				
Opening Balance as at January 1, 2023	19,365,000	2,365,417	(199,862)	1,574,341	23,104,896
Profit after taxation for nine months ended September 30, 2023	-	-	-	1,434,098	1,434,098
Other comprehensive income - net of tax	-	-	121,493	-	121,493
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	(71)	-	(71)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	121,422	-	121,422
Total other comprehensive income - net of tax for nine months ended September 30, 2023	-	286,820	-	(286,820)	-
Transfer to statutory reserve	-	-	-	-	-
Opening Balance as at October 01, 2023	19,365,000	2,652,237	(78,440)	2,721,619	24,660,416
Profit after taxation for three months ended December 31, 2023	-	-	-	827,687	827,687
Other comprehensive income - net of tax	-	-	(46,568)	-	(46,568)
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	8,462	-	8,462
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	1,189,886	1,189,886
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	(38,106)	1,189,886	1,151,780
Total other comprehensive income - net of tax for three months ended December 31, 2023	-	165,537	-	(165,537)	-
Transfer to statutory reserve	-	-	-	-	-
Opening Balance as at December 31, 2023 (Audited)	19,365,000	2,817,774	(116,546)	4,573,655	26,639,883
Effect of adoption of IFRS 9 - Expected Credit Loss (net of tax)	-	-	-	(8,976)	(8,976)
Profit after taxation for nine months ended September 30, 2024	-	-	-	1,777,086	1,777,086
Other comprehensive income - net of tax	-	-	241,310	-	241,310
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	(2,285)	-	(2,285)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	239,025	-	239,025
Total other comprehensive income - net of tax	-	355,417	-	(355,417)	-
Transfer to statutory reserve	-	-	-	-	-
Closing Balance as of September 30, 2024	19,365,000	3,173,191	122,479	5,986,348	28,647,018


Statutory reserve represents reserve created under BPD circular No. 15 of 2004 which requires the Company to credit to its reserve an amount not less than 20% of its after tax profit till such time the reserve equals the amount of paid-up capital. Thereafter, a sum not less than 5% of its after tax profit shall be credited to the said reserve.


The annexed notes 1 to 35 form an integral part of these financial statements.


 President/Chief Executive


 Chief Financial Officer


 Director

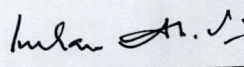

 Director

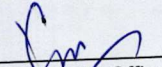

 Director

HOUSE BUILDING FINANCE COMPANY LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2024

	Note	September 30, 2024	September 30, 2023
		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		2,991,356	2,184,154
Less: Dividend income		(2,409)	(1,254)
		<u>2,988,947</u>	<u>2,182,900</u>
Adjustments:			
Net mark-up / interest income		(4,113,428)	(3,361,005)
Depreciation		40,587	39,955
Depreciation on right-of-use assets		36,440	47,815
Amortization		10,139	3,290
Credit loss allowance and write offs		14,112	(96,086)
Loss/ (Gain) on sale/disposal of property and equipment		(2,129)	(864)
Reprocessing & closing adjustments		(9,932)	1,645
Finance charge on leased assets		32,468	36,666
Provision for WWF		61,049	44,575
		<u>(3,930,694)</u>	<u>(3,284,009)</u>
		<u>(941,747)</u>	<u>(1,101,109)</u>
(Increase)/ Decrease in operating assets			
Lendings to financial institutions		(2,000,522)	(6,154,976)
Advances		1,387,642	1,489,899
Others assets (excluding advance taxation)		(90,739)	(651,618)
		<u>(703,619)</u>	<u>(5,316,695)</u>
Increase/ (Decrease) in operating liabilities			
Borrowings from financial institutions		10,467,909	15,117,856
Other liabilities (excluding current taxation)		24,053	11,759
		<u>10,491,962</u>	<u>15,129,615</u>
Mark-up / Interest received		7,295,426	5,851,957
Mark-up / Interest paid		(3,719,159)	(3,076,349)
Income tax paid		(810,702)	(143,723)
Net cash flow from / (used in) operating activities		<u>11,612,161</u>	<u>11,343,696</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		(11,422,424)	(11,104,041)
Investments in property and equipment		(10,289)	(74,773)
Disposal of property and equipment		2,129	1,339
Net cash flow from / (used in) investing activities		<u>(11,430,584)</u>	<u>(11,177,475)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(57,538)	(70,029)
Net cash flow from / (used in) financing activities		<u>(57,538)</u>	<u>(70,029)</u>
Increase/(Decrease) in cash and cash equivalents		<u>124,039</u>	<u>96,192</u>
Cash and cash equivalents at beginning of the year		102,767	18,847
Cash and cash equivalents at end of the year		<u>226,806</u>	<u>115,039</u>

The annexed notes 1 to 35 form an integral part of these financial statements.


President/Chief Executive


Chief Financial Officer


Director


Director


Director

HOUSE BUILDING FINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

1. STATUS AND NATURE OF BUSINESS

House Building Finance Company Limited (the Company) is an unlisted public limited company incorporated in Pakistan on 13 June 2006 under the Companies Ordinance, 1984 (now the Companies Act 2017). The registered office of the Company is situated at Finance and Trade Centre Building, Sharah-e-Faisal, Karachi, in the province of Sindh. Pursuant to SRO.I/2007 dated 25 July 2007 issued by Finance Division - Government of Pakistan (GoP) effective from 1 January 2007, the Company took over all assets, running business, contracts, liabilities and proceedings of the House Building Finance Corporation established in 1952 under the House Building Finance Corporation Act, 1952 (XVIII of 1952) by the GoP from closing of the business on 31 December 2006. As a result in 2010, the name was also changed from House Building Finance Corporation Limited to House Building Finance Company Limited.

The Company is designated as a financial institution by the Federal Government and is providing financing facilities for the purchase & construction of houses/apartments including balance transfer facility (BTF) through a network of 51 branches and 3 regional offices throughout Pakistan including Azad Jammu & Kashmir and Gilgit Baltistan. According to credit rating report dated 04 June 2024 of VIS Credit Rating Company Limited, the long term and short term ratings of the Company are "AAA" and "A-1+" respectively.

Presently, the Company is on active privatisation list in the current privatisation program of the GoP. Invitation for expression of interest was published by the Privatisation Commission, Ministry of Privatisation on 26 December 2021. It is expected that transaction will be concluded by December 2024.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the provisions of and directives issued under the Banking Companies Ordinance (BCO), 1962, the Companies Act, 2017 and directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Whenever the requirements of the BCO, 1962, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.2 These condensed interim financial statements have been prepared in conformity with the format of interim financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 2 dated February 09, 2023.

As per the SBP's BPRD Circular Letter no. 7 dated April 13, 2023, the applicability of IFRS 9 - Financial Instruments was extended to January 01, 2024. Accordingly, these financial statements have been prepared for determining the impact of IFRS 9 on the company's financial statements as at March 31, 2024 assuming that IFRS 9 has been adopted with effect from January 01, 2024. Therefore, the requirements of SBP directives that currently provide the accounting framework for the measurement and valuation of investments and provision against non performing financings have been followed till December 31, 2023.

2.3 The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2023.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2023 except for the adoption of IFRS 9 on account of which the amounts have been reclassified where required.

3.1 Amendments to approved accounting standards that are effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the company for accounting periods beginning on or after January 01, 2024. These are either considered to not be relevant or do not have any significant impact and accordingly, have not been detailed in these condensed interim financial statements.

3.2 Changes in accounting policies and transition disclosures

As permitted by the transitional provisions of IFRS 9, the Company has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative figures.

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

For notes disclosures, the consequential amendments to IFRS 7 disclosures as a result of adoption of IFRS 9 have also been applied to the current period.

3.3 Reconciliation of statement of financial position balances from existing local regulations to IFRS 9 as of December 31, 2023

	Carrying amount as per accounting policy as at Dec 31, 2023	At FVOCI - with recycling	At FVOCI - without recycling	At Amortized Cost	Remeasurement impact under IFRS 9	IFRS 9 carrying amount as at Dec 31, 2023
	Rupees in '000					
Balances with other banks	16,717	-	-	-	(12)	16,705
Investments						
- Available for sale	34,176,904	34,169,665	7,239	-	-	34,176,904
- Held to maturity	-	-	-	-	-	-
Advances	14,277,058	-	-	-	(260,672)	14,016,386
Deferred tax asset	393,262	-	-	-	86,026	479,288
	48,863,941	34,169,665	7,239	-	(174,658)	48,689,283

The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the company as shown in the table above:

(a) Designation of equity instruments at FVOCI

The company has elected to irrevocably designate strategic investments of Rs. 82.4 million in equity securities as permitted under IFRS 9. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

(b) Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

- i Those previously classified as available for sale and now classified as measured at FVOCI; and
- ii Those previously classified as held to maturity and now classified as measured at amortised cost.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The basis for accounting estimates adopted in the preparation of this condensed interim financial information is the same as that applied in the preparation of the financial statements for the year ended December 31, 2023.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the institution are consistent with those disclosed in the financial statements for the year ended December 31, 2023.

6 CASH AND BALANCES WITH TREASURY BANKS

	September 30, 2024	December 31, 2023
	Rupees in '000	
With State Bank of Pakistan in Local currency current account	29,111	16,694
With National Bank of Pakistan in Local currency current accounts	28	23
Less: Credit loss allowance held against cash and balances with treasury banks	-	-
Cash and balances with treasury banks - net of credit loss allowance	29,139	16,717

7 BALANCES WITH OTHER BANKS

In Pakistan	197,694	86,050
In deposit accounts	(27)	-
Less: Credit loss allowance held against balances with other banks	-	-
Balances with other banks - net of credit loss allowance	197,667	86,050

8	LENDINGS TO FINANCIAL INSTITUTIONS	September 30, 2024	December 31, 2023
		Rupees in '000	
	Repurchase agreement lendings (Reverse Repo)	2,000,522	-
	Letters of placement		
	- Trust Investment Bank Limited (TIBL)	5,909	5,909
	- First Dawood Investment Bank Limited (FDIBL)	49,774	49,774
		55,683	55,683
	Less: Credit loss allowance held against lending to financial institutions	(55,683)	(55,683)
	Lendings to financial institutions - net of credit loss allowance	2,000,522	-

8.1 Lending to FIs- Particulars of credit loss allowance

September 30, 2024		December 31, 2023	
Lending	Credit loss allowance held	Lending	Credit loss allowance held
Rupees in '000			
Domestic			
Performing	Stage 1	-	-
Under performing	Stage 2	-	-
Non-performing	Stage 3	-	-
Substandard		-	-
Doubtful		-	-
Loss		55,683	55,683
Total		55,683	55,683

9 INVESTMENTS

9.1 Investments by type:

	September 30, 2024				December 31, 2023			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
Rupees in '000								
FVOCI								
Federal Government securities	45,708,094	-	(185,374)	45,522,720	34,260,257	-	(173,026)	34,087,231
Shares	73,388	(500)	9,546	82,434	73,388	(500)	16,785	89,673
	45,781,482	(500)	(175,828)	45,605,154	34,333,645	(500)	(156,241)	34,176,904
Amortised Cost								
Non Government debt securities	26,240	(26,240)	-	-	48,740	(48,740)	-	-
Total Investments	45,807,722	(26,740)	(175,828)	45,605,154	34,382,385	(49,240)	(156,241)	34,176,904

9.1.1 Investments given as collateral

Federal Government securities	34,460,800	24,500,000
-------------------------------	------------	------------

9.2 Credit loss allowance for diminution in value of investments

9.2.1 Opening balance	49,240	49,240
Charge / reversals		
Charge for the period / year	22,500	-
Reversals for the period / year	-	-
Reversal on disposals	22,500	-
Amounts written off	-	-
Closing Balance	26,740	49,240

9.3 Particulars of credit loss allowance against debt securities

Domestic		September 30, 2024		December 31, 2023	
		Outstanding amount	Credit loss allowance Held	Outstanding amount	Credit loss allowance Held
			Rupees in '000		Rupees in '000
Performing	Stage 1	-	-	-	-
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		26,240	26,240	48,740	48,740
Total		26,240	26,240	48,740	48,740

10 ADVANCES

	Performing		Non Performing		Total	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	Rupees in '000					
Customer advances	12,131,005	13,571,330	2,788,084	2,747,388	14,919,089	16,318,718
Employee advances	800,817	774,996	5,569	5,569	806,386	780,565
Partners' death claims	(5,930)	(2,028)	-	-	(5,930)	(2,028)
Advances - gross	12,925,892	14,344,298	2,793,653	2,752,957	15,719,545	17,097,255
Credit loss allowance against advances	-	-	-	2,584,744	-	2,584,744
-Specific	-	235,453	-	-	-	235,453
-General	35,711	-	-	-	35,711	-
-Stage 1	172,529	-	-	-	172,529	-
-Stage 2	-	-	2,661,943	-	2,661,943	-
-Stage 3	-	-	-	-	-	-
	208,240	235,453	2,661,943	2,584,744	2,870,183	2,820,197
Advances - net of credit loss allowance	12,717,652	14,108,845	131,710	168,213	12,849,362	14,277,058

10.1 Particulars of advances (gross)	Audited	
	September 30, 2024	December 31, 2023
In local currency	Rupees in '000	
	15,719,545	17,097,255
	15,719,545	17,097,255

10.2 Advances include Rs.2,794 million (December 2023: 2,753 million) which have been placed under non-performing / Stage 3 status as detailed below:-

Category of Classification	September 30, 2024		Audited December 31, 2023	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
	Rupees in '000			
Domestic	163,964	33,219	59,684	1,191
Other Assets Especially Mentioned (OAEM)	141,799	141,799	75,216	20,683
Substandard	106,498	106,498	117,499	62,312
Doubtful	2,381,392	2,380,428	2,500,558	2,500,558
Loss	2,793,653	2,661,943	2,752,957	2,584,744
Total				

10.3 Particulars of credit loss allowance against advances

	September 30, 2024				Audited December 31, 2023		
	Stage 3	Stage 2	Stage 1	Total	Specific	General	Total
	Rupees in '000				Rupees in '000		
Opening balance	2,678,399	123,692	31,486	2,833,577	2,868,120	278,897	3,147,017
Charge for the period / year	(16,456)	-	-	(16,456)	17,093	-	17,093
Reversals	-	48,837	4,225	53,062	(300,469)	(43,444)	(343,913)
	(16,456)	48,837	4,225	36,606	(283,376)	(43,444)	(326,820)
Amounts written off	-	-	-	-	2,584,744	235,453	2,820,197
Closing balance	2,661,943	172,529	35,711	2,870,183			

10.3.1 Details of credit loss allowance of stage 1 and 2 are as follows:

	September 30, 2024	
	Stage 1	Stage 2
	Rupees in '000	
Customer advances	30,152	172,530
Employee advances	5,599	-
	35,711	172,529

10.4 Advances - Particulars of credit loss allowance

10.4.1 Opening balance

New Advances
Advances derecognised or repaid
Transfer to stage 1
Transfer to stage 2
Transfer to stage 3

Amounts written off / charged off
Closing balance

September 30, 2024		
Stage 1	Stage 2	Stage 3
Rupees in '000		
31,486	123,692	2,678,399
429,005	-	-
(428,418)	464	(77,579)
13,977	(28,827)	-
(8,581)	122,119	(35,856)
(1,759)	(44,919)	96,980
4,225	48,837	(16,456)
-	-	-
35,711	172,529	2,661,943

10.4.2 Advances - Category of classification

Domestic

Performing Stage 1
Underperforming Stage 2

Non-Performing Stage 3
OAEM
Substandard
Doubtful
Loss

Total

September 30, 2024	
Outstanding amount	Credit loss allowance Held
Rupees in '000	
12,452,108	35,711
473,784	172,529
12,925,892	208,240
163,964	33,219
141,799	141,799
106,498	106,498
2,381,392	2,380,428
2,793,653	2,661,943
15,719,545	2,870,183

11 PROPERTY AND EQUIPMENT

Capital work-in-progress
Property and equipment

September 30, 2024	December 31, 2023
Rupees in '000	
-	-
291,205	321,503
291,205	321,503

12 RIGHT-OF-USE ASSETS

Recognized value of right-of-use assets
Accumulated Depreciation
Net Carrying amount

Opening balance
Additions during the year
Deletions during the year
Depreciation Charge for the year
Net Carrying amount

September 30, 2024		December 31, 2023	
Rupees in '000			
Buidlings	Total	Buidlings	Total
457,601	457,601	450,634	450,634
(215,627)	(215,627)	(165,254)	(165,254)
241,974	241,974	285,380	285,380
285,380	285,380	343,611	343,611
6,967	6,967	10,613	10,613
-	-	-	-
(50,373)	(50,373)	(68,844)	(68,844)
241,974	241,974	285,380	285,380

13 INTENGIBLE ASSETS

Computer software

September 30, 2024	December 31, 2023
Rupees in '000	
53,107	63,246
53,107	63,246

13.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Developed internally	-
Directly purchased	46,783
Through business combinations	-
Total	46,783

September 30, 2024 December 31, 2023
Rupees in '000

13.2 Disposals of intangible assets

The net book value of intangible assets disposed off during the period is as follows:

Developed internally	-
Directly purchased	-
Through business combinations	-
Total	-

-	-
-	-
-	-
-	-

14 DEFERRED TAX ASSETS

Deductible temporary differences on	-	45,310
- Deficit on revaluation of investments	832,353	811,261
- Credit loss allowance against advances	16,148	16,148
- Credit loss allowance against lending to financial institutions	79,645	14,280
- Credit loss allowance against investments	15,606	15,606
- Credit loss allowance against other assets	943,752	902,605

Taxable temporary differences on	(452,558)	(479,603)
- Post retirement employee benefits	(20,901)	-
- Surplus on revaluation of investments	(115,706)	(29,740)
- Accelerated tax depreciation	(589,166)	(509,343)
	354,587	393,262

September 30, 2024 December 31, 2023
Rupees in '000

-	45,310
832,353	811,261
16,148	16,148
79,645	14,280
15,606	15,606
943,752	902,605
(452,558)	(479,603)
(20,901)	-
(115,706)	(29,740)
(589,166)	(509,343)
354,587	393,262

15 OTHER ASSETS

Income / Mark-up accrued in local currency	636,590	1,039,638
- Advances	2,341,800	1,258,966
- Investments	3,843	-
- Lending to Financial Institutions	2,982,233	2,298,604

Receivable from Pension Fund	2,885,475	2,645,286
Advances, deposits, advance rent and other prepayments	101,628	85,255
Advance taxation	127,434	477,193
Advance for purchase of land - housing projects	53,815	53,815
Other receivables against advances - net	109,496	107,531
Assets acquired from Pakistan Refugees Rehabilitation Finance Corporation (PRRFC)	-	-

Less: Credit loss allowance held against other assets	6,260,081	5,667,684
Other Assets (Net of credit loss allowance)	(53,815)	(53,815)
	6,206,266	5,613,869

September 30, 2024 December 31, 2023
Rupees in '000

636,590	1,039,638
2,341,800	1,258,966
3,843	-
2,982,233	2,298,604
2,885,475	2,645,286
101,628	85,255
127,434	477,193
53,815	53,815
109,496	107,531
-	-
6,260,081	5,667,684
(53,815)	(53,815)
6,206,266	5,613,869

15.1 Credit loss allowance held against other assets

Advances, deposits, advance rent & other prepayments	53,815	53,815
Other receivables against advances - net	53,815	53,815

September 30, 2024 December 31, 2023
Rupees in '000

53,815	53,815
53,815	53,815
86,651	80,160
35,000,000	24,462,347
1,659,464	1,735,699
36,746,115	26,278,206
36,746,115	26,278,206

16 BORROWINGS

Secured	
Borrowings from State Bank of Pakistan	
- Under refinance scheme	
Repurchase agreement borrowings	
Borrowings from Pakistan Mortgage Refinance Company Limited	
Total secured	

Total borrowings

17 LEASE LIABILITIES

Outstanding amount at the start of the year
Additions during the year
Lease payments including interest
Interest expense
Outstanding amount at the end of the year

September 30, 2024	December 31, 2023
Rupees in '000	
320,422	388,967
6,967	10,613
(57,538)	(124,589)
32,468	45,431
302,319	320,422

17.1 Liabilities Outstanding

Not later than one year
Later than one year and upto five years
Over five years
Total at the year end

32,083	40,466
115,296	102,350
154,940	177,606
302,319	320,422

18 OTHER LIABILITIES

Mark-up/ Return/ Interest payable in local currency
Accrued expenses
Advance payments from customers
Payable to defined benefit plan
Charity fund balance
Insurance premium payable
Advance rent received
Workers welfare fund
Others

305,192	191,192
245,996	197,810
231,562	307,003
1,022,610	991,481
12,231	10,939
110,909	164,594
24,889	9,341
167,419	106,371
12,723	16,747
2,133,531	1,995,478

September 30, 2024	December 31, 2023
Rupees in '000	

19 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of
- Securities measured at FVOCI-Equity

(175,828)	(156,241)
-----------	-----------

Deferred tax on surplus / (deficit) on revaluation of:
- Securities measured at FVOCI-Equity

298,307	39,695
122,479	(116,546)

20 CONTINGENCIES AND COMMITMENTS

-Commitments
-Other contingent liabilities

20.1	448,934	470,202
20.2	58,993	58,993
	507,927	529,195

September 30, 2024	December 31, 2023
Rupees in '000	

20.1 Commitments:

Loans sanctioned but not disbursed

70,338	91,606
149,725	149,725
25,796	25,796
193,325	193,325
9,750	9,750
448,934	470,202

Commitments for acquisition of:
- Property and equipment
- Intangible assets

Equity investment in Pakistan Mortgage Refinance Company Limited

Other commitments

20.1.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the company without the risk of incurring significant expense.

20.2 Other contingent liabilities

20.2.1	58,993	58,993
--------	--------	--------

20.2.1 These represent claims not acknowledged as debt from SMS Courier (Pvt) Limited amounting to PKR 39.9 million, Liaquat National Hospital amounting to PKR 8.1 million and National Testing Services (NTS) amounting to PKR 11.0 million. Legal advisor of the institution is of the opinion that no economic outflow is expected in these respect.

		September 30, 2024	September 30, 2023
		Rupees in '000	
21	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	2,435,040	2,389,813
	Investments	5,489,091	4,345,557
	Lending to financial institutions	44,183	257,048
	Balances with banks	10,741	10,150
		<u>7,979,055</u>	<u>7,002,568</u>
22	MARK-UP / RETURN / INTEREST EXPENSED		
	Borrowings	135,591	126,939
	Repurchase agreements	3,697,154	3,469,424
	Clean / call	414	8,534
	Finance lease charge	32,468	36,666
		<u>3,865,627</u>	<u>3,641,563</u>
23	GAIN / (LOSS) ON SECURITIES		
	Realised	231	2,346
		<u>231</u>	<u>2,346</u>
24	OTHER INCOME		
	Rent on property	42,842	39,677
	Gain on sale of property and equipment - net	2,129	864
	Inspection and application fee	1,514	2,573
	Storage documentation	5,200	4,881
	Early termination charges and penalty income on conventional schemes	28,613	25,794
	Miscellaneous Income	1,127	2,705
		<u>81,425</u>	<u>76,494</u>
25	OPERATING EXPENSES		
	Total compensation expense	761,819	888,338
	Property expense		
	Rent & taxes	3,770	14,612
	Insurance	936	845
	Utilities cost	28,667	25,059
	Security (including guards)	8,754	7,265
	Repair & maintenance (including janitorial charges)	55,822	86,919
	Depreciation	11,511	11,627
	Depreciation on right-of-use assets	36,440	47,815
		<u>145,900</u>	<u>194,142</u>
	Information technology expenses		
	Hardware maintenance	18,781	14,711
	Depreciation	10,107	11,244
	Amortization	10,139	3,290
	Network charges	8,385	8,215
		<u>47,412</u>	<u>37,460</u>
	Other operating expenses		
	Directors' fees and allowances	7,798	350
	Legal & professional charges	15,564	8,693
	Consultancy charges	14,696	23,257
	Outsourced services costs	49,542	38,112
	Travelling & conveyance	8,504	13,898
	Depreciation	18,969	17,084
	Training & development	1,267	4,104
	Postage & courier charges	4,324	3,621
	Communication	4,318	4,043
	Stationery & printing	4,387	6,071
	Marketing, advertisement & publicity	9,471	20,754
	Commission against recovery	1,209	2,243
	Auditors remuneration	1,965	2,925
	Banking service charges	7,160	7,895
	Entertainment	2,345	2,240
	Vehicle expense	22,503	21,097
	Subscription	2,086	1,994
	Others	9,669	8,490
		<u>185,777</u>	<u>186,871</u>
		<u>1,140,908</u>	<u>1,306,811</u>

		September 30, 2024	September 30, 2023
		Rupees in '000	
26	CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		
	Credit loss allowance against lending to financial institutions	8.1	-
	Credit loss allowance for diminution in value of investments	9.1	(22,500)
	Credit loss allowance / (Reversal) against loans & advances	10.3	36,612
	Bad debts written off directly	-	-
	Recovery of written off / charged off bad debts	-	-
		14,112	(96,086)

27	TAXATION		
	Current	1,160,461	833,863
	Deferred	53,809	(83,807)
		1,214,270	750,056

		September 30, 2024	September 30, 2023
		Rupees	
28	BASIC EARNINGS/ (LOSS) PER SHARE		
	Profit for the period	669,834	590,442
	Weighted average number of ordinary shares	1,936,500,000	1,936,500,000
	Basic earnings per share	0.35	0.30

		Rupees	
29	DILUTED EARNINGS/ (LOSS) PER SHARE		
	Profit for the period	669,834	590,442
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	1,936,500,000	1,936,500,000
	Diluted earnings per share	0.35	0.30

30 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial

30.1 Fair value of financial assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments	-	45,522,720	-	45,522,720
Federal Government Securities	8,527	-	-	8,527
Shares				
Financial assets - disclosed but not measured at fair value				
Shares	-	-	82,434	82,434

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	34,087,231	-	34,087,231
Shares	7,239	-	-	7,239
Financial assets - disclosed but not measured at fair value				
Shares	-	-	82,434	82,434

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) i.e. PKRV rates.

31 RELATED PARTY TRANSACTIONS

Related parties comprise of associates, directors and key management personnel of the Company. There were no transactions with the key management personnel other than those under the terms of their employment. Key management personnel includes Chief Executive Officer, Group Head Internal Auditor, Group Head Treasury, Chief Financial Officer, Company Secretary, Group Head Compliance, Group Head Risk Management, Group Head Human Resource, Group Head Recovery and Chief Information Officer. Details of transactions with the related parties

	September 30, 2024	December 31, 2023
	Rupees in '000	
Advances		
Opening balance	54,406	48,487
Addition during the period / year	2,881	22,809
Repaid during the period / year	(15,149)	(14,746)
Transfer in / (out) - net	-	(2,144)
Closing balance	42,138	54,406
Income		
Mark-up / return / interest earned	2,065	1,973

32 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

19,365,000 19,365,000

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

27,847,640	25,971,834
-	-
27,847,640	25,971,834
217,007	142,799
28,064,647	26,114,633

Risk Weighted Assets (RWAs):

Credit risk

Market risk

Operational risk

Total

11,383,601	11,423,934
183,724	-
10,228,404	10,228,404
21,795,729	21,652,338

Common Equity Tier 1 Capital Adequacy Ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

128%	120%
128%	120%
129%	121%

Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposure

Leverage Ratio

27,847,640	25,971,834
68,224,810	55,640,945
41%	47%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

10,551,859	9,642,000
924	1,150
1142347%	838435%

Net Stable Funding Ratio (NSFR):

Total available stable funding

Total required stable funding

Net Stable Funding Ratio

48,347,000	41,192,000
16,763,000	17,703,000
288%	233%

33 RECLASSIFICATION OF COMPARATIVE FIGURES & RESTATEMENT

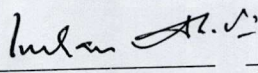
Comparative figures have been reclassified and re-arranged where necessary for the purpose of better presentation. However, the Company has not restated comparative information for 2024 for financial instruments in the scope of IFRS 9. Therefore, the comparative information for 2024 is reported under previous local regulatory requirements and is not comparable with the information presented for the period ended September 30, 2023.

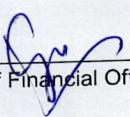
34 DATE OF AUTHORISATION FOR ISSUE

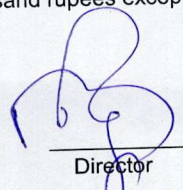
These financial statements were approved and authorized for issue on October 29, 2024 by the Board of Directors of the institution.

35 GENERAL


Figures have been rounded-off to the nearest thousand rupees except stated otherwise.


President/Chief Executive


Chief Financial Officer


Director


Director


Director